1961 as applicable from time to time. Accordingly, the bidders had submitted bids and the awardee(s) had signed PSCs. A clarification issued by Ministry of Petroleum and Natural Gas on 27.6.2008 before receipt of bids on 30.6.2008 under seventh round of New Exploration Licensing Policy (NELP-VII) is given in the Statement.

Statement

Clarification issued on 27.06.2008 regarding 7 year Income Tax Holiday on Commercial Production of Natural Gas

Under the New Exploration Licensing Policy (NELP) and Coal Bed Methane (CBM) Policy, the Ministry of Petroleum and Natural Gas, Government of India, has been assuring potential bidders of income tax rebate for a period of seven years from the beginning of commercial production. However, some Income Tax Authorities have disallowed the above relief in respect of production of natural gas due to lack of specific inclusion of the term Natural Gas under the related provision in the Income Tax Act. The matter is presently sub-judice before different authorities, including Tribunals and Courts.

The Notice Inviting Offer (NIO) and Petroleum Tax Guide for the NELP-VII bidding round, for which bids are due to be received on 30th June, 2008 holds out the same assurance as in the previous bidding rounds. The Ministry of Finance has clarified that income tax relief of seven years will be available only on commercial production of Crude Oil. In the light of the above clarification, Income Tax related provisions in the NIO and Petroleum Tax Guide issued by this Ministry for the NELP-VII bidding round may be read accordingly.

The Ministry of Petroleum and Natural Gas clarifies that all the potential bidders may submit their bids under NELP-VII, keeping the above clarification in mind.

Dry fuel production

3296. SHRI MOHD. ALI KHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the country produces around 500 million tonnes of dry fuel annually;

(b) if so, the details thereof;

(c) the contribution of Andhra Pradesh in this regard;

(d) whether it is also a fact that if we do not reach a production level of one billion tonnes, our power plants would not materialize; and

(e) if so, the comments of Government thereon for production in Andhra Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (b) No, Sir. As far as Dry Hydrocarbon is concerned 32.8 Billion Cubic Meter (BCM) of natural gas was produced during 2008-09 in the country.

(c) Oil and Natural Gas Corporation Ltd. (ONGC) produced 1.5 BCM of natural gas from its fields in Andhra Pradesh, in the year 2008-09.

(d) and (e) Natural Gas produced in the country is supplied to various priority sector customers, including *Inter alia* power plants in Andhra Pradesh.

Setting up of Kisan Sewa Kendra

3297. SHRI NAND KISHORE YADAV:
SHRI KAMAL AKHTAR:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of Kisan Sewa Kendras to be set up during the financial year 2009-10 across the country, State-wise;

(b) the details thereof, urban and rural area-wise;

(c) whether Government has any plan to set up more KSKs in Jyotiba Phule Nagar, Azamgarh, Mau, Moradabad and Ballia during the current year, in view of huge public demand; and

(d) if so, the details thereof and if not, the reasons therefore?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) The State-wise details of 376 Kisan Seva Kendras (KSKs) to be set by Indian Oil Corporation Limited (IOC) during the financial year 2009-10, across the country are given in the Statement (*See* below).

(b) All KSKs are set up in rural areas only for catering to rural/agriculture markets.

(c) and (d) IOC has reported that they have already commissioned one KSK at location Newada in District Azamgarh. Further, at location Jigarsandhi in district Azamgarh, LOI has recently been issued for commissioning of another KSK.

Selection process are in various stages of completion at five locations in Azamgarh, Ballia and Mau district as per details given below:

Sl.No.	Location	Distt.
1.	Khanpur Fateh	Azamgarh
2.	Mehnazpur	Azamgarh
3.	Kureji	Ballia
4.	Bhatkol	Mau
5.	Katghara Shankar	Mau

Advertisement has been released recently by IOC for eleven more locations in Azamgarh, Ballia and Mau districts on 01.07.2009, for selection of KSK dealers in these three districts.

Further, 8 KSKs in Jyotiba Phule Nagar and JP Nagar district and 16 KSKs in Moradabad district have been planned by IOC, out of which interviews have been held for two locations in